

Factsheet
2013 Legislative Session

House Bill 141**Gaming Advisory Council/Department of Justice****Sponsor: Representative Pat Noonan**

Background. This is the Gaming Advisory Council/Department of Justice bill to revise gambling laws for the 2013 legislative session. The Council is authorized by Mont. Code Ann. § 2-15-2021. Its function is to study gambling related matters in the state and make recommendations to the Department on amendments to gambling statutes and administrative rules, as well as the operation of the Department. HB 141 is the result of six interim council meetings during which issues were identified and discussed. This bill represents agreement between the Council and the Department on resolving the issues addressed during the interim.

1. During the interim, the Council and the Department identified live poker card games and tournaments as an area for discussion. Card room operators and players attended Council meetings and discussed issues and possible changes. In recent years, the numbers of licensed card rooms, permitted card tables and licensed card dealers have declined. As a result of this decline, and other issues of concern, the following changes are proposed.
 - a. Section 1 and Section 3 increase live card game pot limits to \$800. Players and card room operators complained that the current \$300 pot limit, which has been law since 1989, is too low because it allows some players to go all in at the opening hand and effectively buy the pot. The suggestion was that a higher pot limit will tend to prevent this from occurring. It was also noted that video gambling machine and live bingo payout maximums are \$800.
 - b. Section 2 authorizes small stakes tournaments to be played daily. This proposal allows card rooms to offer the standard cash poker game and daily small stakes tournaments. The proposed small stakes limit is an \$80 buy in and the number of tables to be used is limited to permitted tables plus one extra table. An annual permit fee of \$500 is proposed for the conduct of small stakes tournaments. Large stakes tournaments are already provided for in statute but are limited to 12 per year, a \$2500 buy in, and as many tables as needed. Tournament play is different from the standard cash games and, to some players, more enjoyable. Operators felt this limited daily tournament option will help bring players back.
2. Section 4 provides for a modest increase in video gambling machine permit fees. While efficiencies of the automated accounting and reporting system have resulted in staff reductions within the Gambling Control Division, a decline in the number of video gambling machine permits, together with a general increase in

costs, has resulted in projected gambling state special revenue collections shortfall. Mont. Code Ann. § 23-5-110 requires the expense of administration and control of gambling be derived solely from permit and license fees paid by gambling licensees. At current fee levels, the Department projects the fund will be more than \$300,000 short of meeting the costs of the administration and control of gambling. Therefore, the Council and Department agreed to propose a \$20 increase in video gambling machine permit fees to cover the shortfall. Video gambling machine permit fees were last increased ten years ago, in FY03.

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Gaming Advisory Council/Department of Justice comments on the Amendment to HB141 adopted by the House Business Committee

1. Increases the number of large stakes tournaments from 12 to 16.
2. Decreases the maximum buy in from \$2500 to \$1875.
3. Eliminates the requirement for there to be at least 7 days between tournaments.

The Council and Department supported the large stakes tournament amendment adopted by the House Business Committee. The amendment to the bill was intended to improve the conditions under which card room operators conduct large stakes tournaments, making them more appealing to card players from out of state; and reduce the maximum buy in to tournaments to a more realistic level. While the idea was presented late, the Department and Gaming Advisory Council discussed the amendment with industry proponents, and found the change to be reasonable and likely to improve the market for existing card tournaments.